



Daily Newswatch

Market Review

The FBMKLCI closed higher, rising 0.7% to end at 1,541.8, rebounding firmly from the previous session. A sharp upswing in the final hour of trading pointed to renewed investor confidence and near-term accumulation ahead of key global macroeconomic events. Sentiment was further lifted by the government's latest fiscal stimulus announcement, which provided a supportive backdrop for risk assets. Notably, foreign investors turned net buyers, indicating improving sentiment likely spurred by the market-friendly tone and credibility of the new fiscal measures. Meanwhile, the recent bilateral agreements between Indonesia, Japan, the Philippines, and the US have helped ease tariff-related uncertainties, fueling optimism that the proposed 25% tariff on Malaysian goods may be scaled back, offering a further boost to market outlook. Between index constituents, PETCHEM (+9.5%) was the top performers, followed by NESTLE (+7.1%) and PPB (+3.4%). Sector wise, Industrial Products & Services (+1.7%) emerged to be the clear winner while Consumer Products & Services (+0.9%) and Plantation (+0.8%) also lodged notable gain. Nonetheless, the market sentiment remained neutral with 502 gainers versus 474 losers.

Asian equities closed higher on Thursday, buoyed by upbeat corporate earnings and positive geopolitical developments. Notably, strong quarterly results from Alphabet and SK Hynix lifted market sentiment, while media reports of a potential U.S.-EU trade agreement involving a 15% tariff framework on European imports added to the optimism. Shanghai CI gained 0.7% to close at 3,605.7, supported by signs of easing U.S.-China tensions ahead of upcoming trade negotiations. Meanwhile, the HSI advanced 0.5% to 25,667.2, as investors monitored the China-EU summit in Beijing, where key discussions on trade relations and geopolitical risks, including the Ukraine conflict, are underway.

European stocks closed broadly higher on Thursday despite paring most of their early gains, after the European Central Bank left its interest rate unchanged for the first time in a year. The ECB held its key interest rates steady, in line with expectations, as policymakers assessed that price pressures continue to ease, but acknowledged that the economic environment remains highly uncertain mainly due to the trade tariff wars. The Governing Council, led by ECB President Christine Lagarde, kept the deposit rate unchanged at 2%. The refinancing rate was retained at 2.15% and the marginal lending rate at 2.4%. The previous change in euro area interest rates was a 25-basis point reduction in June. The bank had cut interest rates by a quarter basis points each in every rate-setting session since September. EURO STOXX 50 advanced 0.2% to 5,355.2.

U.S. turned in a mixed performance on Thursday after a strong session a day earlier, with the NASDAQ and the S&P 500 opening higher and hitting fresh record closing highs. Conversely, the DOW opened in the red and remained under water throughout the day, weighed by losses from heavyweight IBM, which may be facing an investigation into billing practices. The DOW stumbled 0.7% to finish at 44,693.9, while the NASDAQ gained 0.2% to close at 21,058.0 and the S&P 500 rose 0.1% to end at 6,363.4. The early strength on U.S. came on optimism that the U.S. could sign up more deals with its remaining trading partners before President Donald Trump's Aug. 1 deadline. As UK, China, Vietnam, and Indonesia have come to an agreement with the U.S. already, Canada, India, South Korea, and the EU are ramping up their efforts. U.S. Secretary of the Treasury Scott Bessent reportedly said that the talks were "going better than they had been," and that progress was being made. In U.S. economic news, the Commerce Department said that new home sales in the U.S. rebounded less than expected in June. Also, the Labor Department said U.S. initial jobless claims unexpectedly fell last week.

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,540.3	0.7	(6.2)
Dow Jones	44,693.9	(0.7)	5.1
Nasdaq CI	21,058.0	0.2	9.0
S&P 500	6,363.4	0.1	8.2
SX5E	5,355.2	0.2	9.4
FTSE 100	9,138.4	0.8	11.8
Nikkei 225	41,826.3	1.6	4.8
Shanghai CI	3,605.7	0.7	7.6
HSI	25,667.2	0.5	28.0
STI	4,273.1	1.0	12.8
Market Activities	Last Close	% Chg	
Vol traded (m shares)	2,971.1	(9.2)	
Value traded (RM m)	2,295.4	2.1	
Gainers	502		
Losers	474		
Unchanged	435		
Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZETRIX	0.915	(3.2)	62.9
TANCO	0.915	0.0	54.4
NEXG	0.515	(1.0)	51.3
LCTITAN	0.705	18.5	40.9
TCHONG	0.865	(1.1)	34.9
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.630	0.4	154.3
CIMB	6.700	0.4	86.8
TENAGA	13.940	0.0	75.1
IHH	6.650	0.5	68.5
ZETRIX	0.915	(3.2)	58.2
Currencies	Last Close	% Chg	
USD/MYR	4.217	0.2	
USD/JPY	147.000	0.0	
EUR/USD	1.175	0.0	
USD/CNY	7.155	(0.0)	
US Dollar Index	97.377	0.2	
Commodities	Last Close	% Chg	
Brent (USD/barrel)	69.2	1.0	
Gold (USD/troy oz)	3,370.6	0.1	
CPO (MYR/metric t)	4,236.0	(0.5)	
Bitcoin (USD/BTC)	118,446.7	(0.3)	



Macro Snapshots

- **US:** Trump says countries will face tariffs ranging from 15% to 50%
- **US:** Trump to supercharge AI sales to allies, loosen environmental rules
- **US:** Trump administration recommends location verification for AI chips
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Corporate Snapshots

- **AYS Ventures:** Associate's takeover offer for Singapore-listed CosmoSteel turns unconditional with 87.9% acceptances
- **Nestlé Malaysia:** 2Q net profit rises 20% on higher sales, cost control; declares 70 sen dividend
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- **Metronic Global:** Ends JV with China's Singyes after six years

Macro News

US: Trump says countries will face tariffs ranging from 15% to 50%

US President Donald Trump suggested that he would not go below 15% as he sets so-called reciprocal tariff rates ahead of an Aug 1 deadline, an indication that the floor for the increased levies was rising. "We'll have a straight, simple tariff of anywhere between 15% and 50%," Trump said Wednesday at an artificial intelligence (AI) summit in Washington. "A couple of — we have 50 because we haven't been getting along with those countries too well." Trump's comment declaring that the tariffs would begin at 15% represented the latest twist in his effort to impose duties on nearly every US trading partner, and the latest indication that Trump was looking to more aggressively impose the levies on exports from countries outside the small group that so far has been able to broker trade frameworks with Washington. *(Bloomberg)*

US: Trump administration to supercharge AI sales to allies, loosen environmental rules

The Trump administration released a new artificial intelligence (AI) blueprint on Wednesday that aims to loosen environmental rules and vastly expand AI exports to allies, in a bid to maintain the American edge over China in the critical technology. US President Donald Trump marked the plan's release with a speech, where he laid out the stakes of the technological arms race with China, calling it a fight that will define the 21st century. "America is the country that started the AI race. And as President of the United States, I'm here today to declare that America is going to win it," Trump said. The plan, which includes some 90 recommendations, calls for the export of US AI software and hardware abroad, as well as a crackdown on state laws deemed too restrictive to let it flourish, a marked departure from predecessor Joe Biden's "high fence" approach that limited global access to coveted AI chips. *(Bloomberg)*

US: Trump administration recommends location verification for AI chips

US President Donald Trump's administration on Wednesday recommended implementing export controls that would verify the location of advanced artificial intelligence (AI) chips, a move that was applauded by US lawmakers from both parties in both houses of Congress. The recommendation was part of a broader AI blueprint released on Wednesday, that aimed to boost exports of AI hardware and software to US allies and relax US environmental rules, to speed the construction of new AI data centres. But the plan released Wednesday also said that the US should continue denying access to advanced US AI chips made by companies like Nvidia and AMD, to foreign adversaries. It added that the US government should "explore leveraging new and existing location verification features on advanced AI compute, to ensure that the chips are not in countries of concern." *(Reuters)*



CN: Xi calls for 'proper handling of frictions' at tense summit with EU officials

Chinese President Xi Jinping urged top European Union officials on Thursday to "properly handle differences and frictions" as he criticised Brussels's recent trade actions against Beijing at a tense summit dominated by concerns on trade and the Ukraine war. Expectations were low for the summit in the Chinese capital marking 50 years of diplomatic ties after weeks of escalating tension and wrangling over its format, with the duration abruptly halved to a single day at Beijing's request. "The current challenges facing Europe do not come from China," Xi told visiting European Commission President Ursula von der Leyen and European Council President Antonio Costa, state news agency Xinhua said. He urged the EU to "adhere to open cooperation and properly handle differences and frictions", after von der Leyen earlier called for a rebalancing of trade ties with the world's second largest economy, saying relations were at an "inflection point". (*Reuters*)

CN: Planning network to sell surplus computing power in crackdown on data centre glut

China is taking steps to build a network to sell computing power and curb the unwieldy growth of data centres after thousands of local government-backed centres that sprouted in the country caused a capacity glut and threatened their viability. The state planner is conducting a nationwide assessment of the sector after a three-year data centre building boom, according to two sources familiar with the matter and a document seen by *Reuters*. Beijing is also seeking to set up a national, state-run cloud service for harnessing surplus computing power, according to Chinese government policy advisers. The Ministry of Industry and Information Technology (MIIT) is collaborating with China's three state telecoms companies on ways to connect the data centres in a network to create a platform that can sell the computing power, they said. Computing power is a crucial element in the race for technological supremacy between China and the US. Besides being an embarrassment for Beijing, unused computing power and financially shaky data centres could hinder China's ambitions in the development of artificial intelligence capabilities. (*The Edge*)

MY: FMM urges govt to gazette Sept 15 holiday, avoid ad-hoc holidays to prevent millions in manufacturing losses

The Federation of Malaysian Manufacturing (FMM) is calling for the immediate gazettment of the newly announced Sept 15 public holiday, warning that delays could cost the manufacturing sector up to RM1bn in lost productivity. FMM's urgent appeal follows Prime Minister Datuk Seri Anwar Ibrahim's declaration of Monday, Sept 15, 2025, as an additional holiday for Malaysia Day celebrations, coupled with the human resources minister's directive for employers to observe it. "The government must immediately issue the official gazette notification under the Holidays Act 1951, to confirm whether this falls under Section 8 or Section 9," FMM stressed. The association said this is critical to provide legal clarity and enable businesses to plan operations, workforce scheduling, and ensure compliance with the Employment Act 1955. (*The Edge*)

Corporate News

AYS Ventures: Associate's takeover offer for Singapore-listed CosmoSteel turns unconditional with 87.88% acceptances

AYS Ventures Bhd said the voluntary takeover offer by its associate company 3HA Capital Pte Ltd for all shares in Singapore-listed CosmoSteel Holdings Ltd has become unconditional, after 3HA Capital's shareholding crossed the 50% threshold. As of Wednesday (July 23), 3HA Capital had received valid acceptances for nearly 229m shares, equivalent to 87.9% of CosmoSteel's issued share capital. The takeover bid was initially launched on May 15 at S\$0.20 per share. On June 23, 3HA Capital sweetened its original offer by raising the offer price by 25% to S\$0.25 per share. Shareholders who accepted the earlier offer will automatically receive the revised price. In a filing with Bursa Malaysia on Thursday, AYS said the offer's closing date has been extended to 5.30pm on July 28, from the original deadline of July 14. If valid acceptances reach 90% or more, 3HA Capital reserves the right to compulsorily acquire all remaining shares. (*The Edge*)

Nestlé Malaysia: 2Q net profit rises 20% on higher sales, cost control; declares 70 sen dividend

Nestlé (Malaysia) Bhd's reported a near 20% increase in net profit for the second quarter, lifting its stock price to its highest in more than a month. Share price of Nestle surged nearly 7% to RM82, its highest since May 16, following the results announcement. At the last price, the locally-listed unit of the Swiss multinational food conglomerate is worth over RM19bn on Bursa Malaysia. Net profit for the quarter ended June 30, 2025 (2QFY2025) increased to RM112.1m, while earnings per share (EPS) for the quarter came in at 47.8 sen, compared with 39.9 sen a year ago. The group attributed the earnings growth to a disciplined focus on operational efficiency and a prudent pricing strategy, which helped offset rising input costs. Quarterly revenue rose 9.5% year-on-year to RM1.7bn, supported by solid sales during festive campaigns and sustained consumer preference across its core food and beverage offerings. (*The Edge*)

Jentayu: Refund advance payment after Sumitomo ends renewable energy MOU

Jentayu Sustainables Bhd said Sumitomo Corporation does not intend to extend a memorandum of understanding (MOU) the parties signed two years ago to collaborate on renewable energy projects. The MOU is deemed to have lapsed following its expiry on July 20, and Jentayu expects to refund the RM8m advance payment to Sumitomo in the second financial quarter ending Dec 31, 2025. The amount will remain classified as a current liability in Jentayu's accounts for the current financial year, the group said in a bourse filing on Thursday. In March, Jentayu had aborted its proposed acquisition of hydro assets in Sabah, more than three years after the deals were inked. The termination incurred a total cost of RM6.4m. In April, Jentayu signed a 40-year power purchase agreement with Sabah Electricity Sdn Bhd for a 162-megawatt run-of-river hydroelectric project at Hulu Sungai Padas, Sipitang, with a project value of RM2.8bn. (*The Edge*)



Rimbunan Sawit: Calls off joint venture to develop Sarawak NCR land

Sarawak-based oil palm plantation company Rimbunan Sawit Bhd has announced the termination of its joint venture (JV) with LCDA Holdings Sdn Bhd (LHSB), formerly known as Pelita Holdings Sdn Bhd. The partnership was initially formed to develop a parcel of native customary rights (NCR) land in Ulu Selangau, Sibu into an oil palm plantation. In a filing with Bursa Malaysia on Thursday, Rimbunan Sawit said it had entered into a rescission agreement with LHSB to mutually terminate the JV agreement signed in April 2001. Under the original JV, both parties were to jointly develop the land through a JV company PJP Pelita Selangau Plantation Sdn Bhd (formerly known as Ladang Metah Sdn Bhd). Rimbunan Sawit held a 60% stake in PJP Pelita, while LHSB owned the remaining 40%. (*The Edge*)

KIP REIT: Earnings stabilising after 24% jump in FY2025

KIP Real Estate Investment Trust expects to 'sustain a stable performance' after posting double-digit growth in its recently concluded financial year on stronger lease income and contribution from newly-acquired assets. KIP REIT's net property income (NPI) surged 24.4% in the financial year ended June 30, 2025 (FY2025) to RM96.8m from RM77.8m in FY2024. This was on the back of a 33.3% increase in revenue to RM136.1m from RM102.2m. The improved earnings were mainly driven by the contribution from its seven KIPMalls and its four industrial properties, as well the newly bought D'pulze Shopping Centre and TF Value-Mart. KIP REIT has proposed a final income distribution of RM16.1m or 2.018 sen per unit for 4QFY2025, bringing full-year distribution to 6.80 sen, up from 6.67 sen a year ago. (*The Edge*)

Luxchem: 2Q net profit down 27% on weaker sales, pays 0.7 sen dividend

Luxchem Corp Bhd, a plastic material and resin manufacturer, reported a 27.1% decline in its second-quarter net profit amid lower sales from its business segments. The group posted a net profit of RM8.9m for the second quarter ended June 30, 2025 (2QFY2025), down from RM12.2m in the same period a year earlier, as revenue fell 10.7% to RM187.7m from RM210.2m, due to lower contributions from both its trading and manufacturing segments. It declared an interim dividend of 0.7 sen per share, payable on Aug 29. For the six-month period of FY2025, Luxchem's net profit declined 18.1% to RM19.5m from RM23.8m, while revenue slipped 3.9% to RM377.8m from RM393.4m. On its outlook, Luxchem in its bourse filing on Thursday flagged key challenges including US dollar/ringgit exchange rate volatility, fluctuations in raw material prices, supply and demand dynamics, stiff competition, ongoing global geopolitical conflicts, and persistent global trade uncertainties that could impact its business operations. (*The Edge*)

Metronic Global: Ends JV with China's Singyes after six years

Building and security management systems provider Metronic Global Bhd is ending its joint venture (JV) with Zhuhai SingYes New Materials Technology Co Ltd (Singyes), a Chinese firm involved in green building technology and renewable energy. The JV was expected to develop and market smart city solutions across the country. In a filing with Bursa Malaysia on Thursday, Metronic said its wholly owned subsidiary Metronic Engineering Sdn Bhd (MESB) had on Thursday issued a notice of termination to Singyes, ending the JV agreement signed in August 2019. Under the original agreement, MESB held an 80% stake in the JV company, with Singyes owning the remaining 20%. The decision to exit the partnership was attributed to several factors, including the lack of significant progress in developing smart city solutions or any working prototypes, as well as a shortage of relevant expertise. Metronic also cited its intention to streamline operations and refocus on core engineering activities, moving away from previously initiated untested or unprofitable diversifications. (*The Edge*)

Upcoming key economic data releases	Date
US – JOLTS Job Openings (Jun)	July 29
US – GDP (Q2)	July 30
US – Fed Interest Rate Decision	July 30
CN – Manufacturing PMI (Jul)	July 30
JP – BoJ Interest Rate Decision	July 30
US – Core PCE Price Index	July 31
US – Initial Jobless Claims	July 31
US – Nonfarm Payrolls (Jul)	Aug 1
Source: Bloomberg	



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.11	0.15	13.78
Amway (M)	Consumer	5.07	0.47	9.27
British American Tobacco (M)	Consumer	6.21	0.54	8.70
Sentral REIT	REIT	0.78	0.06	8.26
YTL Hospital REIT	REIT	1.04	0.08	7.98
REXIT	Technology	0.63	0.05	7.94
KIP REIT	REIT	0.87	0.07	7.75
Hektar REITS	REIT	0.49	0.04	7.63
CapitaLand Malaysia Trust	REIT	0.64	0.05	7.56
Paramount Corporation	Property	1.03	0.07	7.28
MBM Resources	Consumer	5.43	0.39	7.24
Taliworks Corporation	Utilities	0.70	0.05	7.14
MAG Holdings	Consumer	1.23	0.08	6.67
Magnum	Consumer	1.23	0.08	6.67
Ta Ann Holdings	Plantation	3.92	0.26	6.58

Source: Bloomberg

User guide: Mercury Securities compiles a list of dividend-yielding stocks for conservative long-term passive investors looking for regular income whilst capping downside risk of their investment.

Methodology: The list above includes stocks that have a high dividend yield, estimated to be greater than 4% per annum. These stocks also have a history of paying dividends consistently, having paid dividends for the past 3 years.

IPO Tracker

Company	Listing Sought	Issue Price (RM/Share)	No. Of Shares (m)		Closing Date	Listing Date
			Public Issue	Offer for Sale		
Oxford Innotech Berhad	ACE Market	0.29	143.5	50.0	16 July	29 July



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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my